

For the reasons discussed in the preamble, part 1 of Title 47 of the Code of Federal Regulations is amended as follows:

PART 1 - PRACTICE AND PROCEDURE

1. The authority citation for Part 1 continues to read as follows:

Authority: 15 U.S.C. 79 et seq.; 47 U.S.C. 151, 154(i), 154(j), 155, 225, and 303(r).

2. Sec. 1.1152 is revised to read as follows:

§ 1.1152 Schedule of annual regulatory fees and filing locations for wireless radio services.

Exclusive use services (per license)	Fee Amount ⁴⁰	Address
1. Land Mobile (Above 470 MHz and 220 MHz Local, Base Station & SMRS) (47 CFR, Part 90)		
a) New, Renew/Mod (FCC 601 & 159)	\$13.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
c) Renewal (FCC 601 & 159)	\$13.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245

⁴⁰ Note that "small fees" are collected in advance for the entire license term. Therefore, the annual fee amount shown in this table must be multiplied by the 5- or 10-year license term, as appropriate, to arrive at the total amount of regulatory fees owed. It should be further noted that application fees may also apply as detailed in §1.1102 of this chapter.

Federal Communications Commission**FCC 00-240**

d)Renewal (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5245
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220 MHz Nationwide a)New, Renew/Mod (FCC 601 & 159)	\$13.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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c)Renewal (FCC 601 & 159)	\$13.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
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d)Renewal (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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2. Microwave (47 CFR Pt. 101)**(Private)**

a)New, Renew/Mod (FCC 601 & 159)	\$13.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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c)Renewal (FCC 601 & 159)	\$13.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
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d)Renewal (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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3. 218-219 MHz Service

a)New, Renew/Mod (FCC 601 & 159)	\$13.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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c)Renewal (FCC 601 & 159)	\$13.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
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d)Renewal (Electronic Filing) (FCC 601 & 159)	\$13.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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4. Shared Use Services

Land Mobile (Frequencies Below 470 MHz – except 220 MHz)

a)New, Renew/Mod (FCC 601 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b) New, Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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c)Renewal (FCC 601 & 159)	\$7.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
d)Renewal (Electronic Filing) (FCC 601 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
General Mobile Radio Service		
a)New, Renew/Mod (FCC 605 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
b)New, Renew/Mod (Electronic Filing) (FCC 605 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
c)Renewal (FCC 605 & 159)	\$7.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
d)Renewal (Electronic Filing) (FCC 605 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
Rural Radio (Part 22)		
a)New, Additional Facility, Major Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
b)Renewal, Minor Renew/Mod (Electronic Filing) (FCC 601 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994

Marine Coast

a)New Renewal (FCC 503 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)Renewal (FCC 452R & 159)	\$7.00	FCC P.O. Box 358270 Pittsburgh, PA 15251-5270
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c)Renewal (Electronic Filing) (FCC 900 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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Aviation Ground

a)New, Renewal (FCC 406 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)Renewal (FCC 452R & 159)	\$7.00	FCC P.O. Box 358270 Pittsburgh, PA 15251-5270
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c)Renewal (Electronic Filing) (FCC 601 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
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Marine Ship

a)New, Renewal (FCC 506 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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Aviation Aircraft

a)New, Renew/Mod (FCC 605 & 159)	\$7.00	FCC P.O. Box 358130 Pittsburgh, PA 15251-5130
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b)New, Renew/Mod (Electronic Filing) (FCC 605 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
c)Renewal (FCC 605 & 159)	\$7.00	FCC P.O. Box 358245 Pittsburgh, PA 15251-5245
d)Renewal (Electronic Filing) (FCC 605 & 159)	\$7.00	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
5. Amateur Vanity Call Signs	\$1.40	FCC
a)Initial or Renew (FCC 605 & 159)		P.O. Box 358130 Pittsburgh, PA 15251-5130
b)Initial or Renew (Electronic Filing) (FCC 605 & 159)	\$1.40	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994
6. CMRS Mobile Services (per unit) (FCC 159)	\$.30	FCC P.O. Box 358835 Pittsburgh, PA 15251-5835
7. CMRS Messaging Services (per unit) (FCC 159)	\$.04	FCC P.O. Box 358835 Pittsburgh, PA 15251-5835

3. Sec. 1.1153 is revised to read as follows:

§ 1.1153 Schedule of annual regulatory fees and filing locations for mass media services.

Radio [AM and FM] (47 CFR, Part 73)	Fee Amount	Address
1. <u>AM Class A</u>		
<=20,000 population	\$400	FCC, Radio
20,001-50,000 population	\$800	P.O. Box 358835
50,001-125,000 population	\$1,325	Pittsburgh, PA
125,001-400,000 population	\$1,950	15251-5835
400,001-1,000,000 population	\$2,725	
>1,000,000 population	\$4,375	
2. <u>AM Class B</u>		
<=20,000 population	\$300	
20,001-50,000 population	\$625	
50,001-125,000 population	\$850	
125,001-400,000 population	\$1,350	
400,001-1,000,000 population	\$2,200	
>1,000,000 population	\$3,575	
3. <u>AM Class C</u>		
<=20,000 population	\$200	
20,001-50,000 population	\$300	
50,001-125,000 population	\$425	
125,001-400,000 population	\$625	
400,001-1,000,000 population	\$1,200	
>1,000,000 population	\$1,725	
4. <u>AM Class D</u>		
<=20,000 population	\$250	
20,001-50,000 population	\$425	
50,001-125,000 population	\$650	
125,001-400,000 population	\$775	
400,001-1,000,000 population	\$1,450	
>1,000,000 population	\$2,225	
5. <u>AM Construction Permit</u>	\$250	

6. FM Classes A, B1 and C3

<=20,000 population	\$300
20,001-50,000 population	\$625
50,001-125,000 population	\$850
125,001-400,000 population	\$1,350
400,001-1,000,000 population	\$2,200
>1,000,000 population	\$3,575

7. FM Classes B, C, C1 and C2

<=20,000 population	\$400
20,001-50,000 population	\$800
50,001-125,000 population	\$1,325
125,001-400,000 population	\$1,950
400,001-1,000,000 population	\$2,725
>1,000,000 population	\$4,375

8. FM Construction Permits \$755

TV (47 CFR, Part 73)**VHF Commercial**

1. Markets 1 thru 10	\$39,950	FCC, TV Branch P.O. Box 358835 Pittsburgh, PA 15251-5835
2. Markets 11 thru 25	\$33,275	
3. Markets 26 thru 50	\$22,750	
4. Markets 51 thru 100	\$12,750	
5. Remaining Markets	\$ 3,300	
6. Construction Permits	\$ 2,700	

UHF Commercial

1. Markets 1 thru 10	\$15,075	FCC, UHF Commercial P.O. Box 358835 Pittsburgh, PA 15251-5835
2. Markets 11 thru 25	\$11,425	
3. Markets 26 thru 50	\$ 7,075	
4. Markets 51 thru 100	\$ 4,225	
5. Remaining Markets	\$ 1,150	
6. Construction Permits	\$ 2,800	

Satellite UHF/VHF Commercial

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|-------------------------|---------|------------------|
| 1. All Markets | \$1,250 | FCC Satellite TV |
| 2. Construction Permits | \$ 445 | P.O. Box 358835 |
| | | Pittsburgh, PA |
| | | 15251-5835 |

Low Power TV, TV/FM Translator, & TV/FM Booster (47 CFR, Part 74)	\$ 280	FCC, Low Power P.O. Box 358835 Pittsburgh, PA 15251-5835
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Broadcast Auxiliary	\$ 12	FCC, Auxiliary P.O. Box 358835 Pittsburgh, PA 15251-5835
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Multipoint Distribution	\$ 275	FCC, Multipoint P.O. Box 358835 Pittsburgh, PA 15251-5835
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4. Sec. 1.1154 is revised to read as follows:

§ 1.1154 Schedule of annual regulatory charges and filing locations for common carrier services.

Radio Facilities	Fee Amount	Address
1. Microwave (Domestic Public Fixed) (Electronic Filing) (FCC Form 601 & 159)	\$13	FCC P.O. Box 358994 Pittsburgh, PA 15251-5994

Carriers

1. Interstate Telephone Service Providers (per dollar contributed to TRS Fund)	\$.00117	FCC, Carriers P.O. Box 358835 Pittsburgh, PA 15251-5835
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5. Sec. 1.1155 is revised to read as follows:

§ 1.1155 Schedule of regulatory fees and filing locations for cable television services.

	Fee Amount	Address
1. Cable Antenna Relay Service	\$53	FCC, Cable
2. Cable TV System (per subscriber)	\$.47	P.O. Box 358835 Pittsburgh, PA 15251-5835

6. Section 1.1156 is revised to read as follows:

§ 1.1156 Schedule of regulatory fees and filing locations for international services.

Radio Facilities	Fee Amount	Address
1. International (HF) Broadcast	\$505	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835
2. International Public Fixed	\$395	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835
Space Stations (Geostationary Orbit)	\$94,650	FCC, Space Stations P.O. Box 358835 Pittsburgh, PA 15251-5835
Space Stations (Non-Geostationary Orbit)	\$175,250	FCC, Space Stations P.O. Box 358835 Pittsburgh, PA 15251-5835
Earth Stations Transmit/Receive & Transmit Only (per authorization or registration)	\$175	FCC, Earth Station P.O. Box 358835 Pittsburgh, PA 15251-5835
Carriers		
1. International Bearer Circuits (per active 64KB circuit or equivalent)	\$ 7.00	FCC, International P.O. Box 358835 Pittsburgh, PA 15251-5835

Attachment A

FINAL REGULATORY FLEXIBILITY ANALYSIS

1. As required by the Regulatory Flexibility Act (RFA),⁴¹ an Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities was incorporated in the Notice of Proposed Rulemaking, In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2000, 65 FR 19580 (Apr. 11, 2000). The Commission sought written public comments on the proposals in its FY 2000 regulatory fees NPRM, including on the IRFA. This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA, as amended.

I. Need for, and Objectives of, the Proposed Rules:

2. This rulemaking proceeding was initiated in order to collect regulatory fees in the amount of \$185,754,000, the amount that Congress has required the Commission to recover. The Commission seeks to collect the necessary amount through its revised fees, as contained in the attached Schedule of Regulatory Fees, in the most efficient manner possible and without undue burden on the public.

II. Summary of Significant Issues Raised by Public Comments in Response to the IRFA:

3. None.

III. Description and Estimate of the Number of Small Entities to which the Proposed Rules Will Apply:

4. The RFA directs agencies to provide a description of and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, herein adopted.⁴² The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."⁴³ In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.⁴⁴ A small business concern is one which: (1) is independently owned and operated; (2) is not

⁴¹ 5 U.S.C. 603. The RFA, 5 U.S.C. 601 *et. seq.*, has been amended by the Contract With America Advancement Act of 1996, Public Law No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

⁴² 5 U.S.C. 603(b)(3).

⁴³ *Id.* 601(6).

⁴⁴ 5 U.S.C. 601(3) (incorporating by reference the definition of "small business concern" in 15 U.S.C. 632). Pursuant to the RFA, the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register." 5 U.S.C. 601(3).

dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).⁴⁵ A small organization is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field."⁴⁶ Nationwide, as of 1992, there were approximately 275,801 small organizations.⁴⁷ "Small governmental jurisdiction"⁴⁸ generally means "governments of cities, counties, towns, townships, villages, school districts, or special districts, with a population of less than 50,000."⁴⁹ As of 1992, there were approximately 85,006 such jurisdictions in the United States.⁵⁰ This number includes 38,978 counties, cities, and towns; of these, 37,566, or 96 percent, have populations of fewer than 50,000.⁵¹ The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,600 (96 percent) are small entities. Below, we further describe and estimate the number of small entity licensees and regulatees that may be affected by the proposed rules, herein adopted.

CABLE SERVICES OR SYSTEMS

5. The SBA has developed a definition of small entities for cable and other pay television services, which includes all such companies generating \$11 million or less in revenue annually.⁵² This definition includes cable systems operators, closed circuit television services, direct broadcast satellite services, multipoint distribution systems, satellite master antenna systems and subscription television services. According to the Census Bureau data from 1992, there were 1,788 total cable and other pay television services and 1,423 had less than \$11 million in revenue.⁵³

6. The Commission has developed its own definition of a small cable system operator for purposes of rate regulation. Under the Commission's rules, a "small cable company" is one serving fewer than 400,000 subscribers nationwide.⁵⁴ Based on our most recent information, we estimate that

⁴⁵ Small Business Act, 15 U.S.C. 632 (1996).

⁴⁶ 5 U.S.C. 601(4).

⁴⁷ 1992 Economic Census, U.S. Bureau of the Census, Table 6 (special tabulation of data under contract to Office of Advocacy of the U.S. Small Business Administration).

⁴⁸ 47 CFR 1.1162

⁴⁹ 5 U.S.C. 601(5).

⁵⁰ U.S. Dept. of Commerce, Bureau of the Census, "1992 Census of Governments."

⁵¹ *Id.*

⁵² 13 CFR 121.201, SIC code 4841.

⁵³ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D, SIC code 4841 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

⁵⁴ 47 CFR 76.901(e). The Commission developed this definition based on its determination that a small cable

there were 1,439 cable operators that qualified as small cable system operators at the end of 1995.⁵⁵ Since then, some of those companies may have grown to serve over 400,000 subscribers, and others may have been involved in transactions that caused them to be combined with other cable operators. Consequently, we estimate that there are fewer than 1,439 small entity cable system operators.

7. The Communications Act also contains a definition of a small cable system operator, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000."⁵⁶ The Commission has determined that there are 66,690,000 subscribers in the United States. Therefore, we found that an operator serving fewer than 666,900 subscribers shall be deemed a small operator, if its annual revenues, when combined with the total annual revenues of all of its affiliates, do not exceed \$250 million in the aggregate.⁵⁷ Based on available data, we find that the number of cable operators serving 666,900 subscribers or less totals 1,450.⁵⁸ We do not request nor do we collect information concerning whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000,⁵⁹ and thus are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

8. **Other Pay Services.** Other pay television services are also classified under Standard Industrial Classification (SIC) 4841, which includes cable systems operators, closed circuit television services, direct broadcast satellite services (DBS),⁶⁰ multipoint distribution systems (MDS),⁶¹ satellite master antenna systems (SMATV), and subscription television services.

system operator is one with annual revenues of \$100 million or less. Implementation of Sections of the 1992 Cable Act: Rate Regulation, Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393 (1995), 60 FR 10534 (Feb. 27, 1995).

⁵⁵ Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

⁵⁶ 47 U.S.C. 543(m)(2).

⁵⁷ 47 CFR Section 76.1403(b).

⁵⁸ Paul Kagan Associates, Inc., Cable TV Investor, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

⁵⁹ We do receive such information on a case-by-case basis only if a cable operator appeals a local franchise authority's finding that the operator does not qualify as a small cable operator pursuant to § 76.1403(b) of the Commission's rules. See 47 CFR 76.1403(d).

⁶⁰ Direct Broadcast Services (DBS) are discussed with the international services, infra.

⁶¹ Multipoint Distribution Services (MDS) are discussed with the mass media services, infra.

COMMON CARRIER SERVICES AND RELATED ENTITIES

9. The most reliable source of information regarding the total numbers of certain common carrier and related providers nationwide, as well as the number of commercial wireless entities, appears to be data the Commission publishes in its Trends in Telephone Service report.⁶² However, in a recent news release, the Commission indicated that there are 4,144 interstate carriers.⁶³ These carriers include, *inter alia*, local exchange carriers, wireline carriers and service providers, interexchange carriers, competitive access providers, operator service providers, pay telephone operators, providers of telephone service, providers of telephone exchange service, and resellers.

10. The SBA has defined establishments engaged in providing "Radiotelephone Communications" and "Telephone Communications, Except Radiotelephone" to be small businesses when they have no more than 1,500 employees.⁶⁴ Below, we discuss the total estimated number of telephone companies falling within the two categories and the number of small businesses in each, and we then attempt to refine further those estimates to correspond with the categories of telephone companies that are commonly used under our rules.

11. We have included small incumbent LECs in this present RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (*e.g.*, a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation."⁶⁵ The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope.⁶⁶ We have therefore included small incumbent LECs in this RFA analysis, although we emphasize that this RFA action has no effect on FCC analyses and determinations in other, non-RFA contexts.

⁶² FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000).

⁶³ FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

⁶⁴ 13 CFR 121.201, Standard Industrial Classification (SIC) codes 4812 and 4813. See also Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987).

⁶⁵ 5 U.S.C. 601(3).

⁶⁶ Letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to William E. Kennard, Chairman, FCC (May 27, 1999). The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See 15 U.S.C. 632(a) (Small Business Act); 5 U.S.C. 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 CFR 121.102(b). Since 1996, out of an abundance of caution, the Commission has included small incumbent LECs in its regulatory flexibility analyses. See, *e.g.*, *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket, 96-98, First Report and Order, 11 FCC Rcd 15499, 16144-45 (1996), 61 FR 45476 (Aug. 29, 1996).

12. **Total Number of Telephone Companies Affected.** The U.S. Bureau of the Census ("Census Bureau") reports that, at the end of 1992, there were 3,497 firms engaged in providing telephone services, as defined therein, for at least one year.⁶⁷ This number contains a variety of different categories of carriers, including local exchange carriers, interexchange carriers, competitive access providers, cellular carriers, mobile service carriers, operator service providers, pay telephone operators, covered specialized mobile radio providers, and resellers. It seems certain that some of these 3,497 telephone service firms may not qualify as small entities or small ILECs because they are not "independently owned and operated."⁶⁸ For example, a PCS provider that is affiliated with an interexchange carrier having more than 1,500 employees would not meet the definition of a small business. It is reasonable to conclude that fewer than 3,497 telephone service firms are small entity telephone service firms or small ILECs that may be affected by the proposed rules, herein adopted.

13. **Wireline Carriers and Service Providers.** The SBA has developed a definition of small entities for telephone communications companies except radiotelephone (wireless) companies. The Census Bureau reports that there were 2,321 such telephone companies in operation for at least one year at the end of 1992.⁶⁹ According to the SBA's definition, a small business telephone company other than a radiotelephone company is one employing no more than 1,500 persons.⁷⁰ All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Thus, even if all 26 of those companies had more than 1,500 employees, there would still be 2,295 non-radiotelephone companies that might qualify as small entities or small ILECs. We do not have data specifying the number of these carriers that are not independently owned and operated, and thus are unable at this time to estimate with greater precision the number of wireline carriers and service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that fewer than 2,295 small telephone communications companies other than radiotelephone companies are small entities or small ILECs that may be affected by the proposed rules, herein adopted.

14. **Local Exchange Carriers.** Neither the Commission nor the SBA has developed a definition for small providers of local exchange services (LECs). The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁷¹ According to the most recent Telecommunications Industry Revenue data, 1,348 incumbent carriers reported that they were engaged in the provision of local exchange services.⁷²

⁶⁷ U.S. Department of Commerce, Bureau of the Census, 1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size, at Firm Size 1-123 (1995) (1992 Census).

⁶⁸ See generally 15 U.S.C. 632(a)(1).

⁶⁹ 1992 Census, *supra*, at Firm Size 1-123.

⁷⁰ 13 CFR 121.201, SIC code 4813.

⁷¹ *Id.*

⁷² FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

We do not have data specifying the number of these carriers that are either dominant in their field of operations, are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of LECs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that fewer than 1,348 providers of local exchange service are small entities or small ILECs that may be affected by the proposed rules, herein adopted.

15. Interexchange Carriers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of interexchange services (IXCs). The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁷³ According to the most recent Trends in Telephone Service data, 171 carriers reported that they were engaged in the provision of interexchange services.⁷⁴ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of IXCs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are less than 171 small entity IXCs that may be affected by the proposed rules, herein adopted.

16. Competitive Access Providers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to competitive access services providers (CAPs). The closest applicable definition under the SBA rules is for telephone communications companies other than except radiotelephone (wireless) companies.⁷⁵ According to the most recent Trends in Telephone Service data, 212 CAP/CLECs carriers and 10 other LECs reported that they were engaged in the provision of competitive local exchange services.⁷⁶ We do not have data specifying the number of these carriers that are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of CAPs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are less than 212 small entity CAPs and 10 other LECs that may be affected by the proposed rules, herein adopted.

17. Operator Service Providers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to providers of operator services. The closest applicable definition under the SBA rules is for telephone communications companies other than

⁷³ 13 CFR 121.201, SIC code 4813.

⁷⁴ FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

⁷⁵ 13 CFR 121.201, SIC code 4813.

⁷⁶ FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

radiotelephone (wireless) companies.⁷⁷ According to the most recent Trends in Telephone Service data, 24 carriers reported that they were engaged in the provision of operator services.⁷⁸ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of operator service providers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are less than 24 small entity operator service providers that may be affected by the proposed rules, herein adopted.

18. Pay Telephone Operators. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to pay telephone operators. The closest applicable definition under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁷⁹ According to the most recent Trends in Telephone Service data, 615 carriers reported that they were engaged in the provision of pay telephone services.⁸⁰ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of pay telephone operators that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are less than 615 small entity pay telephone operators that may be affected by the proposed rules, herein adopted.

19. Resellers (including debit card providers). Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to resellers. The closest applicable SBA definition for a reseller is a telephone communications company other than radiotelephone (wireless) companies.⁸¹ According to the most recent Trends in Telephone Service data, 388 toll and 54 local entities reported that they were engaged in the resale of telephone service.⁸² We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of resellers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 388 small toll entity resellers and 54 small local entity resellers that may be affected by the proposed rules, herein adopted.

⁷⁷ 13 CFR 121.201, SIC code 4813.

⁷⁸ FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

⁷⁹ 13 CFR 121.201, SIC code 4813.

⁸⁰ FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

⁸¹ 13 CFR 121.201, SIC code 4813.

⁸² FCC, Common Carrier Bureau, Industry Analysis Division, Trends in Telephone Service, Table 19.3 (March 2000)

20. **Toll-Free 800 and 800-Like Service Subscribers.**⁸³ Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to 800 and 800-like service ("toll free") subscribers. The most reliable source of information regarding the number of these service subscribers appears to be data the Commission collects on the 800, 888, and 877 numbers in use.⁸⁴ According to our most recent data, at the end of January 1999, the number of 800 numbers assigned was 7,692,955; the number of 888 numbers that had been assigned was 7,706,393; and the number of 877 numbers assigned was 1,946,538. We do not have data specifying the number of these subscribers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of toll free subscribers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 7,692,955 small entity 800 subscribers, less than 7,706,393 small entity 888 subscribers, and fewer than 1,946,538 small entity 877 subscribers may be affected by the proposed rules, herein adopted.

INTERNATIONAL SERVICES

21. The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC).⁸⁵ This definition provides that a small entity is expressed as one with \$11.0 million or less in annual receipts.⁸⁶ According to the Census Bureau, there were a total of 848 communications services providers, NEC, in operation in 1992, and a total of 775 had annual receipts of less than \$9.999 million.⁸⁷ The Census report does not provide more precise data.

22. **International High Frequency Broadcast Stations.** Commission records show that there are 18 international high frequency broadcast station authorizations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international high frequency broadcast stations that would constitute a small business under the SBA definition. However, the Commission estimates that only six international high frequency broadcast stations are subject to regulatory fee payments.

⁸³ We include all toll-free number subscribers in this category, including 888 numbers.

⁸⁴ FCC, CCB Industry Analysis Division, FCC Releases, Study on Telephone Trends, Tbls. 21.2, 21.3 and 21.4 (February 19, 1999).

⁸⁵ An exception is the Direct Broadcast Satellite (DBS) Service, infra.

⁸⁶ 13 CFR 120.121, SIC code 4899.

⁸⁷ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D, SIC code 4899 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

23. International Public Fixed Radio (Public and Control Stations).

There are 3 licensees in this service subject to payment of regulatory fees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition.

24. Fixed Satellite Transmit/Receive Earth Stations. There are approximately 2,679 earth station authorizations, a portion of which are Fixed Satellite Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of the earth stations that would constitute a small business under the SBA definition.

25. Fixed Satellite Small Transmit/Receive Earth Stations. There are approximately 2,679 earth station authorizations, a portion of which are Fixed Satellite Small Transmit/Receive Earth Stations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of fixed satellite transmit/receive earth stations that would constitute a small business under the SBA definition.

26. Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. These stations operate on a primary basis, and frequency coordination with terrestrial microwave systems is not required. Thus, a single "blanket" application may be filed for a specified number of small antennas and one or more hub stations. There are 304 current VSAT System authorizations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of VSAT systems that would constitute a small business under the SBA definition.

27. Mobile Satellite Earth Stations. There are 11 licensees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of mobile satellite earth stations that would constitute a small business under the SBA definition.

28. Radio Determination Satellite Earth Stations. There are four licensees. We do not request nor collect annual revenue information, and thus are unable to estimate the number of radio determination satellite earth stations that would constitute a small business under the SBA definition.

29. Space Stations (Geostationary). There are 64 current Geostationary Space Station authorizations. We do not request nor collect annual revenue information, and thus are unable to estimate the number of geostationary space stations that would constitute a small business under the SBA definition.

30. Space Stations (Non-Geostationary). There are 12 current Non-Geostationary Space Station authorizations, of which only three systems are operational. We do not request nor collect annual revenue information, and thus are unable to estimate the number of non-geostationary space stations that would constitute a small business under the SBA definition.

31. **Direct Broadcast Satellites.** Because DBS provides subscription services, DBS falls within the SBA-recognized definition of "Cable and Other Pay Television Services."⁸⁸ This definition provides that a small entity is one with \$11.0 million or less in annual receipts.⁸⁹ Currently, there are nine DBS authorizations, though there are only two DBS companies in operation at this time. We do not request nor collect annual revenue information for DBS service, and thus are unable to determine the number of DBS operators that would constitute a small business under the SBA definition.

MASS MEDIA SERVICES

32. **Commercial Radio and Television Services.** These rules and policies will apply to television broadcasting licensees and radio broadcasting licensees.⁹⁰ The SBA defines a television broadcasting station that has \$10.5 million or less in annual receipts as a small business.⁹¹ Television broadcasting stations consist of establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television services.⁹² Included in this industry are commercial, religious, educational, and other television stations.⁹³ Also included are establishments primarily engaged in television broadcasting and which produce taped television program materials.⁹⁴ Separate establishments primarily engaged in producing taped television

⁸⁸ 13 CFR 120.121, SIC code 4841.

⁸⁹ 13 CFR 121.201, SIC code 4841.

⁹⁰ While we tentatively believe that the SBA's definition of "small business" greatly overstates the number of radio and television broadcast stations that are small businesses and is not suitable for purposes of determining the impact of the proposals on small television and radio stations, for purposes of this Notice we utilize the SBA's definition in determining the number of small businesses to which the proposed rules would apply. We reserve the right to adopt, in the future, a more suitable definition of "small business" as applied to radio and television broadcast stations or other entities subject to the proposed rules in this Notice, and to consider further the issue of the number of small entities that are radio and television broadcasters or other small media entities. See Report and Order in MM Docket No. 93-48 (Children's Television Programming), 11 FCC Rcd 10660, 10737-38 (1996), 61 FR 43981 (Aug. 27, 1996), citing 5 U.S.C. 601(3).

⁹¹ 13 CFR 121.201, SIC code 4833.

⁹² Economics and Statistics Administration, Bureau of Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications and Utilities, Establishment and Firm Size, Series UC92-S-1, Appendix A-9 (1995) (1992 Census, Series UC92-S-1).

⁹³ Id.; see Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987), at 283, which describes "Television Broadcasting Stations" (SIC code 4833) as:

Establishments primarily engaged in broadcasting visual programs by television to the public, except cable and other pay television services. Included in this industry are commercial, religious, educational and other television stations. Also included here are establishments primarily engaged in television broadcasting and which produce taped television program materials.

⁹⁴ 1992 Census, Series UC92-S-1, at Appendix A-9.

program materials are classified under another SIC number.⁹⁵ There were 1,509 television stations operating in the nation in 1992.⁹⁶ That number has remained fairly constant as indicated by the approximately 1,616 operating television broadcasting stations in the nation as of September 30, 1999.⁹⁷ For 1992,⁹⁸ the number of television stations that produced less than \$10.0 million in revenue was 1,155 establishments.⁹⁹ Only commercial stations are subject to regulatory fees.

33. Additionally, the Small Business Administration defines a radio broadcasting station that has \$5 million or less in annual receipts as a small business.¹⁰⁰ A radio broadcasting station is an establishment primarily engaged in broadcasting aural programs by radio to the public.¹⁰¹ Included in this industry are commercial, religious, educational, and other radio stations.¹⁰² Radio broadcasting stations, which primarily are engaged in, radio broadcasting and which produce radio program materials are similarly included.¹⁰³ However, radio stations which are separate establishments and are primarily engaged in producing radio program material are classified under another SIC number.¹⁰⁴ The 1992 Census indicates that 96 percent (5,861 of 6,127) radio station establishments produced less than \$5 million in revenue in 1992.¹⁰⁵ Official Commission records indicate that 11,334 individual radio stations were operating in 1992.¹⁰⁶ As of September 30, 1999, Commission records indicate that 12,615 radio stations were operating, of which 7,832 were FM

⁹⁵ Id., SIC code 7812 (Motion Picture and Video Tape Production); SIC code 7922 (Theatrical Producers and Miscellaneous Theatrical Services) (producers of live radio and television programs).

⁹⁶ FCC News Release No. 31327 (Jan. 13, 1993); 1992 Census, Series UC92-S-1, at Appendix A-9.

⁹⁷ FCC News Release, "Broadcast Station Totals as of September 30, 1999."

⁹⁸ A census to determine the estimated number of Communications establishments is performed every five years, in years ending with a "2" or "7." See 1992 Census, Series UC92-S-1, at III.

⁹⁹ The amount of \$10 million was used to estimate the number of small business establishments because the relevant Census categories stopped at \$9,999,999 and began at \$10,000,000. No category for \$10.5 million existed. Thus, the number is as accurate as it is possible to calculate with the available information.

¹⁰⁰ 13 CFR 121.201, SIC code 4832.

¹⁰¹ 1992 Census, Series UC92-S-1, at Appendix A-9.

¹⁰² Id.

¹⁰³ Id.

¹⁰⁴ Id.

¹⁰⁵ The Census Bureau counts radio stations located at the same facility as one establishment. Therefore, each co-located AM/FM combination counts as one establishment.

¹⁰⁶ FCC News Release, No. 31327 (Jan. 13, 1993).

stations.¹⁰⁷ Only commercial stations are subject to regulatory fees.

34. Thus, the rules may affect approximately 1,616 full power television stations, approximately 1,200 of which are considered small businesses.¹⁰⁸ Additionally, these rules will affect some 12,615 full power radio stations, approximately 11,670 of which are small businesses.¹⁰⁹ These estimates may overstate the number of small entities because the revenue figures on which they are based do not include or aggregate revenues from non-television or non-radio affiliated companies. There are also 2,194 low power television stations (LPTV).¹¹⁰ Given the nature of this service, we will presume that all LPTV licensees qualify as small entities under the SBA definition.

Alternative Classification of Small Stations

35. An alternative way to classify small radio and television stations is by number of employees. The Commission currently applies a standard based on the number of employees in administering its Equal Employment Opportunity Rule (EEO) for broadcasting.¹¹¹ Thus, radio or television stations with fewer than five full-time employees are exempted from certain EEO reporting and record keeping requirements.¹¹² We estimate that the total number of broadcast stations with 4 or fewer employees is approximately 5,186, of which 340 are television stations.¹¹³

¹⁰⁷ FCC News Release, "Broadcast Station Totals as of September 30, 1999."

¹⁰⁸ We use the 77 percent figure of TV stations operating at less than \$10 million for 1992 and apply it to the 1997 total of 1558 TV stations to arrive at 1,200 stations categorized as small businesses.

¹⁰⁹ We use the 96% figure of radio station establishments with less than \$5 million revenue from the Census data and apply it to the 12,088 individual station count to arrive at 11,605 individual stations as small businesses.

¹¹⁰ FCC News Release, No. 7033 (Mar. 6, 1997).

¹¹¹ The Commission's definition of a small broadcast station for purposes of applying its EEO rules was adopted prior to the requirement of approval by the SBA pursuant to section 3(a) of the Small Business Act, 15 U.S.C. 632(a), as amended by section 222 of the Small Business Credit and Business Opportunity Enhancement Act of 1992, Public Law 102-366, 222(b)(1), 106 Stat. 999 (1992), as further amended by the Small Business Administration Reauthorization and Amendments Act of 1994, Public Law 103-403, 301, 108 Stat. 4187 (1994). However, this definition was adopted after public notice and the opportunity for comment. See Report and Order in Docket No. 18244, 23 FCC 2d 430 (1970), 35 FR 8925 (Jun. 6, 1970).

¹¹² See, e.g., 47 CFR 73.3612 (Requirement to file annual employment reports on Form 395 applies to licensees with five or more full-time employees). See also, Review of the Commission's Broadcast and Cable Equal Employment Opportunity Rules and Policies and Termination of the EEO Streamlining Proceeding, FCC 00-20, released February 2, 2000 ("Review of EEO Rules").

¹¹³ See Review of EEO Rules, Appendix B, Sec. C [from compilation of 1997 Broadcast Station Annual Employment Reports (FCC Form 395-B), Equal Employment Opportunity Staff, Mass Media Bureau, FCC].

Auxiliary, Special Broadcast and other program distribution services

36. This service involves a variety of transmitters, generally used to relay broadcast programming to the public (through translator and booster stations) or within the program distribution chain (from a remote news gathering unit back to the station). The Commission has not developed a definition of small entities applicable to broadcast auxiliary licensees. Therefore, the applicable definitions of small entities are those, noted previously, under the SBA rules applicable to radio broadcasting stations and television broadcasting stations.¹¹⁴

37. There are currently 3,237 FM translators and boosters, and 2,964 TV translators.¹¹⁵ The FCC does not collect financial information on any broadcast facility, and the Department of Commerce does not collect financial information on these auxiliary broadcast facilities. We believe, however, that most, if not all, of these auxiliary facilities could be classified as small businesses by themselves. We also recognize that most commercial translators and boosters are owned by a parent station which, in some cases, would be covered by the revenue definition of small business entity discussed above. These stations would likely have annual revenues that exceed the SBA maximum to be designated as a small business (either \$5 million for a radio station or \$10.5 million for a TV station). Furthermore, they do not meet the Small Business Act's definition of a "small business concern" because they are not independently owned and operated.¹¹⁶

38. **Multipoint Distribution Service (MDS).** This service involves a variety of transmitters, which are used to relay programming to the home or office, similar to that provided by cable television systems.¹¹⁷ In connection with the 1996 MDS auction, the Commission defined small businesses as entities that had annual average gross revenues for the three preceding years not in excess of \$40 million.¹¹⁸ This definition of a small entity in the context of MDS auctions has been approved by the SBA.¹¹⁹ These stations were licensed prior to implementation of Section 309(j) of the Communications Act of 1934, as amended.¹²⁰ Licenses for new MDS facilities are now awarded to auction winners in Basic Trading Areas (BTAs) and BTA-like areas.¹²¹ The MDS auctions

¹¹⁴ 13 CFR 121.201, SIC code 4832.

¹¹⁵ FCC News Release, Broadcast Station Totals as of September 30, 1999, No. 71831 (Jan. 21, 1997).

¹¹⁶ 15 U.S.C. 632.

¹¹⁷ For purposes of this item, MDS includes both the single channel Multipoint Distribution Service (MDS) and the Multichannel Multipoint Distribution Service (MMDS).

¹¹⁸ 47 CFR 1.2110 (a)(1).

¹¹⁹ Amendment of Parts 21 and 74 of the Commission's Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act - Competitive Bidding, 10 FCC Rcd 9589 (1995), 60 FR 36524 (Jul. 17, 1995).

¹²⁰ 47 U.S.C. 309(j).

resulted in 67 successful bidders obtaining licensing opportunities for 493 BTAs. Of the 67 auction winners, 61 meet the definition of a small business. There are 2,050 MDS stations currently licensed. Thus, we conclude that there are 1,634 MDS providers that are small businesses as deemed by the SBA and the Commission's auction rules. It is estimated, however, that only 1,650 MDS licensees are subject to regulatory fees, and the number which are small businesses is unknown.

WIRELESS AND COMMERCIAL MOBILE SERVICES

39. **Cellular Licensees.** Neither the Commission nor the SBA has developed a definition of small entities applicable to cellular licensees. Therefore, the applicable definition of small entity is the definition under the SBA rules applicable to radiotelephone (wireless) companies. This provides that a small entity is a radiotelephone company employing no more than 1,500 persons.¹²² According to the Bureau of the Census, only twelve radiotelephone firms from a total of 1,178 such firms which operated during 1992 had 1,000 or more employees.¹²³ Therefore, even if all twelve of these firms were cellular telephone companies, nearly all cellular carriers were small businesses under the SBA's definition. In addition, we note that there are 1,758 cellular licenses; however, a cellular licensee may own several licenses. In addition, according to the most recent Telecommunications Industry Revenue data, 808 carriers reported that they were engaged in the provision of either cellular service or Personal Communications Service (PCS) services, which are placed together in the data.¹²⁴ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of cellular service carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 808 small cellular service carriers that may be affected by the proposed rules, herein adopted.

40. **220 MHz Radio Service -- Phase I Licensees.** The 220 MHz service has both Phase I and Phase II licenses. Phase I licensing was conducted by lotteries in 1992 and 1993. There are approximately 1,515 such non-nationwide licensees and four nationwide licensees currently authorized to operate in the 220 MHz band. The Commission has not developed a definition of small entities specifically applicable to such incumbent 220 MHz Phase I licensees. To estimate the number of such licensees that are small businesses, we apply the definition under the SBA rules applicable to Radiotelephone Communications companies. This definition provides that a small

¹²¹ Id. A Basic Trading Area (BTA) is the geographic area by which the Multipoint Distribution Service is licensed. See Rand McNally 1992 Commercial Atlas and Marketing Guide, 123rd Edition, pp. 36-39.

¹²² 13 CFR 121.201, SIC code 4812.

¹²³ 1992 Census, Series UC92-S-1, at Table 5, SIC code 4812.

¹²⁴ Trends in Telephone Service, Table 19.3 (March 2000).

entity is a radiotelephone company employing no more than 1,500 persons.¹²⁵ According to the Bureau of the Census, only 12 radiotelephone firms out of a total of 1,178 such firms which operated during 1992 had 1,000 or more employees.¹²⁶ Therefore, if this general ratio continues in 1999 in the context of Phase I 220 MHz licensees, we estimate that nearly all such licensees are small businesses under the SBA's definition.

41. 220 MHz Radio Service -- Phase II Licensees. The Phase II 220 MHz service is a new service, and is subject to spectrum auctions. In the 220 MHz Third Report and Order, we adopted criteria for defining small businesses and very small businesses for purposes of determining their eligibility for special provisions such as bidding credits and installment payments.¹²⁷ We have defined a small business as an entity that, together with its affiliates and controlling principals, has average gross revenues not exceeding \$15 million for the preceding three years. Additionally, a very small business is defined as an entity that, together with its affiliates and controlling principals, has average gross revenues that are not more than \$3 million for the preceding three years.¹²⁸ The SBA has approved these definitions.¹²⁹ An auction of Phase II licenses commenced on September 15, 1998, and closed on October 22, 1998.¹³⁰ Nine hundred and eight (908) licenses were auctioned in 3 different-sized geographic areas: three nationwide licenses, 30 Regional Economic Area Group Licenses, and 875 Economic Area (EA) Licenses. Of the 908 licenses auctioned, 693 were sold. Companies claiming small business status won: one of the Nationwide licenses, 67% of the Regional licenses, and 54% of the EA licenses. As of January 22, 1999, the Commission announced that it was prepared to grant 654 of the Phase II licenses won at auction.¹³¹

42. Private and Common Carrier Paging. The Commission has adopted a two-tier definition of small businesses in the context of auctioning licenses in the Common Carrier Paging and exclusive Private Carrier Paging services. A small business will be defined as either (1) an entity that, together with its affiliates and controlling principals, has average gross revenues for the three

¹²⁵ 13 CFR 121.201, Standard Industrial Classification (SIC) code 4812.

¹²⁶ U.S. Bureau of the Census, U.S. Department of Commerce, 1992 Census of Transportation, Communications, and Utilities, UC92-S-1, Subject Series, Establishment and Firm Size, Table 5, Employment Size of Firms; 1992, SIC code 4812 (issued May 1995).

¹²⁷ 220 MHz Third Report and Order, 12 FCC Rcd 10943, 11068-70, at paras. 291-295 (1997).

¹²⁸ 220 MHz Third Report and Order, 12 FCC Rcd at 11068-69, para. 291.

¹²⁹ See Letter from A. Alvarez, Administrator, SBA, to D. Phythyon, Chief, Wireless Telecommunications Bureau, FCC (Jan. 6, 1998).

¹³⁰ See generally Public Notice, "220 MHz Service Auction Closes," Report No. WT 98-36 (Wireless Telecom. Bur. Oct. 23, 1998).

¹³¹ Public Notice, "FCC Announces It is Prepared to Grant 654 Phase II 220 MHz Licenses After Final Payment is Made," Report No. AUC-18-H, DA No. 99-229 (Wireless Telecom. Bur. Jan. 22, 1999).

preceding years of not more than \$3 million, or (2) an entity that, together with affiliates and controlling principals, has average gross revenues for the three preceding calendar years of not more than \$15 million. Because the SBA has not yet approved this definition for paging services, we will utilize the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.¹³² At present, there are approximately 24,000 Private Paging licenses and 74,000 Common Carrier Paging licenses. According to the most recent Telecommunications Industry Revenue data, 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services, which are placed together in the data.¹³³ We do not have data specifying the number of these carriers that are not independently owned and operated or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of paging carriers that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that there are fewer than 172 small paging carriers that may be affected by the proposed rules, herein adopted. We estimate that the majority of private and common carrier paging providers would qualify as small entities under the SBA definition.

43. Mobile Service Carriers. Neither the Commission nor the SBA has developed a definition of small entities specifically applicable to mobile service carriers, such as paging companies. As noted above in the section concerning paging service carriers, the closest applicable definition under the SBA rules is that for radiotelephone (wireless) companies,¹³⁴ and the most recent Telecommunications Industry Revenue data shows that 172 carriers reported that they were engaged in the provision of either paging or "other mobile" services.¹³⁵ Consequently, we estimate that there are fewer than 172 small mobile service carriers that may be affected by the proposed rules, herein adopted.

44. Broadband Personal Communications Service (PCS). The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues of less than \$40 million in the three previous calendar years.¹³⁶ For Block F, an additional classification for "very small business" was added and is defined as an entity that, together with their affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.¹³⁷ These regulations defining "small entity" in the context of

¹³² 13 CFR 121.201, SIC code 4812.

¹³³ Trends in Telephone Service, Table 19.3 (February 19, 1999).

¹³⁴ 13 CFR 121.201, SIC code 4812.

¹³⁵ Trends in Telephone Service, Table 19.3 (February 19, 1999).

¹³⁶ See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, Report and Order, FCC 96-278, WT Docket No. 96-59, paras. 57-60 (released Jun. 24, 1996), 61 FR 33859 (Jul. 1, 1996); see also 47 CFR 24.720(b).

¹³⁷ See Amendment of Parts 20 and 24 of the Commission's Rules -- Broadband PCS Competitive Bidding and the Commercial Mobile Radio Service Spectrum Cap, Report and Order, FCC 96-278, WT Docket No. 96-59, para. 60

broadband PCS auctions have been approved by the SBA.¹³⁸ No small businesses within the SBA-approved definition bid successfully for licenses in Blocks A and B. There were 90 winning bidders that qualified as small entities in the Block C auctions. A total of 93 small and very small business bidders won approximately 40% of the 1,479 licenses for Blocks D, E, and F.¹³⁹ Based on this information, we conclude that the number of small broadband PCS licensees will include the 90 winning C Block bidders and the 93 qualifying bidders in the D, E, and F blocks, for a total of 183 small entity PCS providers as defined by the SBA and the Commission's auction rules.

45. **Narrowband PCS.** The Commission has auctioned nationwide and regional licenses for narrowband PCS. There are 11 nationwide and 30 regional licensees for narrowband PCS. The Commission does not have sufficient information to determine whether any of these licensees are small businesses within the SBA-approved definition for radiotelephone companies. At present, there have been no auctions held for the major trading area (MTA) and basic trading area (BTA) narrowband PCS licenses. The Commission anticipates a total of 561 MTA licenses and 2,958 BTA licenses will be awarded by auction. Such auctions have not yet been scheduled, however. Given that nearly all radiotelephone companies have no more than 1,500 employees and that no reliable estimate of the number of prospective MTA and BTA narrowband licensees can be made, we assume, for purposes of this IRFA, that all of the licenses will be awarded to small entities, as that term is defined by the SBA.

46. **Rural Radiotelephone Service.** The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.¹⁴⁰ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).¹⁴¹ We will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.¹⁴² There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

47. **Air-Ground Radiotelephone Service.** The Commission has not adopted a definition of small entity specific to the Air-Ground Radiotelephone Service.¹⁴³ Accordingly, we will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500

(1996), 61 FR 33859 (Jul. 1, 1996).

¹³⁸ See, *e.g.*, Implementation of Section 309(j) of the Communications Act -- Competitive Bidding, PP Docket No. 93-253, Fifth Report and Order, 9 FCC Rcd 5532, 5581-84 (1994).

¹³⁹ FCC News, Broadband PCS, D, E and F Block Auction Closes, No. 71744 (released Jan. 14, 1997).

¹⁴⁰ The service is defined in § 22.99 of the Commission's Rules, 47 CFR 22.99.

¹⁴¹ BETRS is defined in §§ 22.757 and 22.759 of the Commission's Rules, 47 CFR 22.757 and 22.759.

¹⁴² 13 CFR 121.201, SIC code 4812.

¹⁴³ The service is defined in § 22.99 of the Commission's Rules, 47 CFR 22.99.

persons.¹⁴⁴ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and we estimate that almost all of them qualify as small under the SBA definition.

48. **Specialized Mobile Radio (SMR).** The Commission awards bidding credits in auctions for geographic area 800 MHz and 900 MHz SMR licenses to firms that had revenues of no more than \$15 million in each of the three previous calendar years.¹⁴⁵ In the context of 900 MHz SMR, this regulation defining "small entity" has been approved by the SBA; approval concerning 800 MHz SMR is being sought.

49. These fees apply to SMR providers in the 800 MHz and 900 MHz bands that either hold geographic area licenses or have obtained extended implementation authorizations. We do not know how many firms provide 800 MHz or 900 MHz geographic area SMR service pursuant to extended implementation authorizations, nor how many of these providers have annual revenues of no more than \$15 million. One firm has over \$15 million in revenues. We assume, for purposes of this IRFA, that all of the remaining existing extended implementation authorizations are held by small entities, as that term is defined by the SBA.

50. For geographic area licenses in the 900 MHz SMR band, there are 60 who qualified as small entities. For the 800 MHz SMR's, 38 are small or very small entities.

51. **Private Land Mobile Radio (PLMR).** PLMR systems serve an essential role in a range of industrial, business, land transportation, and public safety activities. These radios are used by companies of all sizes operating in all U.S. business categories. The Commission has not developed a definition of small entity specifically applicable to PLMR licensees due to the vast array of PLMR users. For the purpose of determining whether a licensee is a small business as defined by the SBA, each licensee would need to be evaluated within its own business area.

52. The Commission is unable at this time to estimate the number of small businesses which could be impacted by the rules. However, the Commission's 1994 Annual Report on PLMRs¹⁴⁶ indicates that at the end of fiscal year 1994 there were 1,087,267 licensees operating 12,481,989 transmitters in the PLMR bands below 512 MHz. Because any entity engaged in a commercial activity is eligible to hold a PLMR license, the rules in this context could potentially impact every small business in the United States.

53. **Amateur Radio Service.** We estimate that 8,000 applicants will apply for vanity call signs in FY 2000. All are presumed to be individuals. All other amateur licensees are exempt from payment of regulatory fees.

¹⁴⁴ 13 CFR 121.201, SIC code 4812.

¹⁴⁵ 47 CFR 90.814(b)(1).

¹⁴⁶ Federal Communications Commission, 60th Annual Report, Fiscal Year 1994, at 116.

54. **Aviation and Marine Radio Service.** Small businesses in the aviation and marine radio services use a marine very high frequency (VHF) radio, any type of emergency position indicating radio beacon (EPIRB) and/or radar, a VHF aircraft radio, and/or any type of emergency locator transmitter (ELT). The Commission has not developed a definition of small entities specifically applicable to these small businesses. Therefore, the applicable definition of small entity is the definition under the SBA rules for radiotelephone communications.¹⁴⁷

55. Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. Therefore, for purposes of our evaluations and conclusions in this IRFA, we estimate that there may be at least 712,000 potential licensees which are individuals or are small entities, as that term is defined by the SBA. We estimate, however, that only 16,800 will be subject to FY 2000 regulatory fees.

56. **Fixed Microwave Services.** Microwave services include common carrier,¹⁴⁸ private-operational fixed,¹⁴⁹ and broadcast auxiliary radio services.¹⁵⁰ At present, there are approximately 22,015 common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not yet defined a small business with respect to microwave services. For purposes of this IRFA, we will utilize the SBA's definition applicable to radiotelephone companies -- *i.e.*, an entity with no more than 1,500 persons.¹⁵¹ We estimate, for this purpose, that all of the Fixed Microwave licensees (excluding broadcast auxiliary licensees) would qualify as small entities under the SBA definition for radiotelephone companies.

57. **Public Safety Radio Services.** Public Safety radio services include police, fire, local government, forestry conservation, highway maintenance, and emergency medical services.¹⁵²

¹⁴⁷ 13 CFR 121.201, SIC code 4812.

¹⁴⁸ 47 CFR 101 *et seq.* (formerly, part 21 of the Commission's Rules).

¹⁴⁹ Persons eligible under parts 80 and 90 of the Commission's rules can use Private Operational-Fixed Microwave services. *See* 47 CFR parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

¹⁵⁰ Auxiliary Microwave Service is governed by part 74 of Title 47 of the Commission's Rules. *See* 47 CFR 74 *et seq.* Available to licensees of broadcast stations and to broadcast and cable network entities, broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile TV pickups, which relay signals from a remote location back to the studio.

¹⁵¹ 13 CFR 121.201, SIC 4812.

¹⁵² With the exception of the special emergency service, these services are governed by Subpart B of part 90 of

There are a total of approximately 127,540 licensees within these services. Governmental entities¹⁵³ as well as private businesses comprise the licensees for these services. As indicated supra in paragraph four of this IRFA, all governmental entities with populations of less than 50,000 fall within the definition of a small entity.¹⁵⁴ All licensees in this category are exempt from the payment of regulatory fees.

58. Personal Radio Services. Personal radio services provide short-range, low power radio for personal communications, radio signaling, and business communications not provided for in other services. The services include the citizen's band (CB) radio service, general mobile radio service (GMRS), radio control radio service, and family radio service (FRS).¹⁵⁵ Inasmuch as the CB, GMRS, and FRS licensees are individuals, no small business definition applies for these services. We are unable at this time to estimate the number of other licensees that would qualify as small under the SBA's definition; however, only GMRS licensees are subject to regulatory fees.

59. Offshore Radiotelephone Service. This service operates on several UHF TV broadcast channels that are not used for TV broadcasting in the coastal area of the states bordering the Gulf of Mexico.¹⁵⁶ At present, there are approximately 55 licensees in this service. We are unable at this time to estimate the number of licensees that would qualify as small under the SBA's definition for radiotelephone communications.

the Commission's Rules, 47 CFR 90.15 through 90.27. The police service includes 26,608 licensees that serve state, county, and municipal enforcement through telephony (voice), telegraphy (code) and teletype and facsimile (printed material). The fire radio service includes 22,677 licensees comprised of private volunteer or professional fire companies as well as units under governmental control. The local government service that is presently comprised of 40,512 licensees that are state, county, or municipal entities that use the radio for official purposes not covered by other public safety services. There are 7,325 licensees within the forestry service which is comprised of licensees from state departments of conservation and private forest organizations who set up communications networks among fire lookout towers and ground crews. The 9,480 state and local governments are licensed to highway maintenance service provide emergency and routine communications to aid other public safety services to keep main roads safe for vehicular traffic. The 1,460 licensees in the Emergency Medical Radio Service (EMRS) use the 39 channels allocated to this service for emergency medical service communications related to the delivery of emergency medical treatment. 47 CFR 90.15 through 90.27. The 19,478 licensees in the special emergency service include medical services, rescue organizations, veterinarians, handicapped persons, disaster relief organizations, school buses, beach patrols, establishments in isolated areas, communications standby facilities, and emergency repair of public communications facilities. 47 CFR 90.33 through 90.55.

¹⁵³ 47 CFR 1.1162

¹⁵⁴ 5 U.S.C. 601(5).

¹⁵⁵ Licensees in the Citizens Band (CB) Radio Service, General Mobile Radio Service (GMRS), Radio Control (R/C) Radio Service and Family Radio Service (FRS) are governed by Subpart D, Subpart A, Subpart C, and Subpart B, respectively, of part 95 of the Commission's Rules. 47 CFR 95.401 through 95.428; 95.1 through 95.181; 95.201 through 95.225; 47 CFR 95.191 through 95.194.

¹⁵⁶ This service is governed by subpart I of part 22 of the Commission's Rules. See 47 CFR 22.1001 through 22.1037.

60. **Wireless Communications Services.** This service can be used for fixed, mobile, radiolocation and digital audio broadcasting satellite uses. The Commission defined "small business" for the wireless communications services (WCS) auction as an entity with average gross revenues of \$40 million for each of the three preceding years, and a "very small business" as an entity with average gross revenues of \$15 million for each of the three preceding years. The Commission auctioned geographic area licenses in the WCS service. In the auction, there were seven winning bidders that qualified as very small business entities, and one that qualified as a small business entity. We conclude that the number of geographic area WCS licensees affected includes these eight entities.

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements:

61. With certain exceptions, the Commission's Schedule of Regulatory Fees applies to all Commission licensees and regulatees. Most licensees will be required to count the number of licenses or call signs authorized, complete and submit an FCC Form 159 ("FCC Remittance Advice"), and pay a regulatory fee based on the number of licenses or call signs.¹⁵⁷ Interstate telephone service providers must compute their annual regulatory fee based on their interstate and international end-user revenue using information they already supply to the Commission in compliance with the Form 499-A, Telecommunications Reporting Worksheet, and they must complete and submit the FCC Form 159. Compliance with the fee schedule will require some licensees to tabulate the number of units (e.g., cellular telephones, pagers, cable TV subscribers) they have in service, and complete and submit an FCC Form 159. Licensees ordinarily will keep a list of the number of units they have in service as part of their normal business practices. No additional outside professional skills are required to complete the FCC Form 159, and it can be completed by the employees responsible for an entity's business records.

62. Each licensee must submit the FCC Form 159 to the Commission's lockbox bank after computing the number of units subject to the fee. As an option, licensees are permitted to file electronically or on computer diskette to minimize the burden of submitting multiple copies of the FCC Form 159. This latter, optional procedure may require additional technical skills. Applicants

¹⁵⁷ The following categories are exempt from the Commission's Schedule of Regulatory Fees: Amateur radio licensees (except applicants for vanity call signs) and operators in other non-licensed services (e.g., Personal Radio, part 15, ship and aircraft). Governments and non-profit (exempt under section 501(c) of the Internal Revenue Code) entities are exempt from payment of regulatory fees and need not submit payment. Non-commercial educational broadcast licensees are exempt from regulatory fees as are licensees of auxiliary broadcast services such as low power auxiliary stations, television auxiliary service stations, remote pickup stations and aural broadcast auxiliary stations where such licenses are used in conjunction with commonly owned non-commercial educational stations. Emergency Alert System licenses for auxiliary service facilities are also exempt as are instructional television fixed service licensees. Regulatory fees are automatically waived for the licensee of any translator station that: (1) is not licensed to, in whole or in part, and does not have common ownership with, the licensee of a commercial broadcast station; (2) does not derive income from advertising; and (3) is dependent on subscriptions or contributions from members of the community served for support. Receive only earth station permittees are exempt from payment of regulatory fees. A regulatee will be relieved of its fee payment requirement if its total fee due, including all categories of fees for which payment is due by the entity, amounts to less than \$10.

who pay small fees in advance may supply fee information as part of their application and may not need to use FCC Form 159.

63. Licensees and regulatees are advised that failure to submit the required regulatory fee in a timely manner will subject the licensee or regulatee to a late payment fee of 25 percent in addition to the required fee.¹⁵⁸ Until payment is received, no new or pending applications will be processed, and existing authorizations may be subject to rescission.¹⁵⁹ Further, in accordance with the Debt Collection Improvement Act of 1996, federal agencies may bar a person or entity from obtaining a federal loan or loan insurance guarantee if that person or entity fails to pay a delinquent debt owed to any federal agency.¹⁶⁰ Nonpayment of regulatory fees is a debt owed the United States pursuant to 31 U.S.C. 3711 *et seq.*, and the Debt Collection Improvement Act of 1996, Public Law 104-134. Appropriate enforcement measures, e.g., interest as well as administrative and judicial remedies, may be exercised by the Commission. Thus, debts owed to the Commission may result in a person or entity being denied a federal loan or loan guarantee pending before another federal agency until such obligations are paid.¹⁶¹

64. The Commission's rules currently provide for relief in exceptional circumstances. Persons or entities that believe they have been placed in the wrong regulatory fee category or are experiencing extraordinary and compelling financial hardship, upon a showing that such circumstances override the public interest in reimbursing the Commission for its regulatory costs, may request a waiver, reduction or deferment of payment of the regulatory fee.¹⁶² However, timely submission of the required regulatory fee must accompany requests for waivers or reductions. This will avoid any late payment penalty if the request is denied. The fee will be refunded if the request is granted. In exceptional and compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in reduction of service to a community or other financial hardship to the licensee), the Commission will accept a petition to defer payment along with a waiver or reduction request.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

65. The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives: (1) the establishment of differing compliance or reporting requirements or timetables that take into account

¹⁵⁸ 47 CFR 1.1164(a).

¹⁵⁹ 47 CFR 1.1164(c).

¹⁶⁰ Public Law 104-134, 110 Stat. 1321 (1996).

¹⁶¹ 31 U.S.C. 7701(c)(2)(B).

¹⁶² 47 CFR 1.1166.

the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities. As described in Section IV of this IRFA, supra, we have created procedures in which all fee-filing licensees and regulatees use a single form, FCC Form 159, and have described in plain language the general filing requirements. We have also created Attachment F, infra, which gives "Detailed Guidance on Who Must Pay Regulatory Fees." Because the collection of fees is statutory, our efforts at proposing alternatives are constrained and, throughout these annual fee proceedings, have been largely directed toward simplifying the instructions and necessary procedures for all filers. We have sought comment on other alternatives that might simplify our fee procedures or otherwise benefit small entities, while remaining consistent with our statutory responsibilities in this proceeding.

66. The Omnibus Consolidated and Emergency Supplemental Appropriations Act for FY 1999, Public Law 105-277 requires the Commission to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to Section 9(a) of the Communications Act, as amended, has required the Commission to collect for Fiscal Year (FY) 2000.¹⁶³ As noted, we have sought comment on the proposed methodology for implementing these statutory requirements and any other potential impact of these proposals on small entities.

67. With the use of actual cost accounting data for computation of regulatory fees, we found that some fees which were very small in previous years would have increased dramatically. The methodology we are adopting in this Report and Order minimizes this impact by limiting the amount of increase and shifting costs to other services, which, for the most part, are larger entities.

68. Several categories of licensees and regulatees are exempt from payment of regulatory fees. See, e.g., footnote 149, supra, and Attachment F of the Report and Order, infra.

Report to Small Business Administration: The Commission will send a copy of this Report and Order, including a copy of the final certification, to the Chief Counsel for Advocacy of the Small Business Administration. The certification will also be published in the Federal Register pursuant to 5 U.S.C. 605(b).

Report to Congress: The Commission shall include a copy of this Final Regulatory Flexibility Analysis, along with this Report and Order, including a copy of the final certification, in a report to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. 801(a)(1)(A). A copy of this FRFA (or summary thereof) will also be published in the Federal Register, along with this Report and Order.

¹⁶³ 47 U.S.C.159(a).

SOURCES OF PAYMENT UNIT ESTIMATES FOR FY 2000

In order to calculate individual service fees for FY 2000, we adjusted FY 1999 payment units for each service to more accurately reflect expected FY 2000 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. We tried to obtain verification for these estimates from multiple sources and, in all cases, we compared FY 2000 estimates with actual FY 1999 payment units to ensure that our revised estimates were reasonable. Where appropriate, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 2000 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical or other reasons. Therefore, when we note, for example, that our estimated FY 2000 payment units are based on FY 1999 actual payment units, it does not necessarily mean that our FY 2000 projection is exactly the same number as FY 1999. It means that we have either rounded the FY 2000 number or adjusted it slightly to account for these variables.

FEE CATEGORY	SOURCES OF PAYMENT UNIT ESTIMATES
Land Mobile (All), Microwave, 218-219 MHz ¹⁶⁴ , Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed	Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis.
CMRS Mobile Services	Based on industry estimates of growth between FY 1999 and FY 2000 and Wireless Telecommunications Bureau projections of new applications and average number of mobile units associated with each application.
CMRS Messaging Services	Based on industry estimates of the number of units in operation.
AM/FM Radio Stations	Based on actual FY 1999 payment units.
UHF/VHF Television Stations	Based on actual FY 1999 payment units.
AM/FM/TV Construction Permits	Based on actual FY 1999 payment units.
LPTV, Translators and Boosters	Based on actual FY 1999 payment units.
Auxiliaries	Based on Wireless Telecommunications Bureau (WTB) projections.
MDS/MMDS	Based on actual FY 1999 payment units.
Cable Antenna Relay Service (CARS)	Based on actual FY 1999 payment units.
Cable Television System Subscribers	Based on Cable Services Bureau and industry estimates of subscribership.
Interstate Telephone Service Providers	Based on actual FY 1999 interstate revenues associated with the Telecommunications Reporting Worksheet, adjusted to take into consideration FY 2000 revenue growth in this industry as estimated by the Common Carrier Bureau.
Earth Stations	Based on actual FY 1999 payment units.
Space Stations (GSOs & NGSOs)	Based on International Bureau licensee data bases.
International Bearer Circuits	Based on actual FY 1999 payment units.
International HF Broadcast Stations, International Public Fixed Radio Service	Based on actual FY 1999 payment units.

¹⁶⁴ The Wireless Telecommunications Bureau's staff advises that they do not anticipate receiving any applications for 218-219 MHz (formerly IVDS) in FY 2000.